



Senate

General Assembly

File No. 400

February Session, 2012

Substitute Senate Bill No. 1

Senate, April 12, 2012

The Committee on Education reported through SEN. STILLMAN of the 20th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING JOBS AND THE ECONOMY.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (a) of section 32-7g of the 2012 supplement to
2 the general statutes is repealed and the following is substituted in lieu
3 thereof (*Effective from passage*):

4 (a) There is established within the Department of Economic and
5 Community Development the Small Business Express program. Said
6 program shall provide small businesses with various forms of financial
7 assistance, using a streamlined application process to expedite the
8 delivery of such assistance. A small business eligible for assistance
9 through said program shall, as of October 27, 2011, (1) employ, on at
10 least fifty per cent of its working days during the preceding twelve
11 months, not more than [fifty] one hundred employees, (2) be a
12 Connecticut-based business with operations in Connecticut, (3) have
13 been registered to conduct business in this state for not less than
14 twelve months, and (4) be in good standing with the payment of all
15 state and local taxes and with all state agencies.

16 Sec. 2. Section 31-3pp of the 2012 supplement to the general statutes
17 is repealed and the following is substituted in lieu thereof (*Effective*
18 *from passage*):

19 (a) For purposes of this section:

20 (1) "Department" means the Labor Department;

21 (2) "Eligible small business" means a business that (A) employed not
22 more than [fifty] one hundred full-time employees on at least fifty per
23 cent of its working days during the preceding twelve months, (B) is a
24 Connecticut-based business with operations in Connecticut, (C) has
25 been registered to conduct business in this state for not less than
26 twelve months, and (D) is in good standing with the payment of all
27 state and local taxes; [. "Eligible small business" does not include a
28 retailer, as defined in section 42-371;]

29 (3) "Control", with respect to a corporation, means ownership,
30 directly or indirectly, of stock possessing fifty per cent or more of the
31 total combined voting power of all classes of the stock of such
32 corporation entitled to vote. "Control", with respect to a trust, means
33 ownership, directly or indirectly, of fifty per cent or more of the
34 beneficial interest in the principal or income of such trust. The
35 ownership of stock in a corporation, of a capital or profits interest in a
36 partnership, limited liability company or association or of a beneficial
37 interest in a trust shall be determined in accordance with the rules for
38 constructive ownership of stock provided in Section 267(c) of the
39 Internal Revenue Code of 1986, or any subsequent corresponding
40 internal revenue code of the United States, as from time to time
41 amended, other than paragraph (3) of said Section 267(c);

42 (4) "Related person" means (A) a corporation, limited liability
43 company, partnership, association or trust controlled by the eligible
44 small business, (B) an individual, corporation, limited liability
45 company, partnership, association or trust that is in control of the
46 eligible small business, (C) a corporation, limited liability company,
47 partnership, association or trust controlled by an individual,

48 corporation, limited liability company, partnership, association or trust
49 that is in control of the eligible small business, or (D) a member of the
50 same controlled group as the eligible small business;

51 (5) "Eligible small manufacturer" means an eligible small business
52 described in sectors 31 to 33, inclusive, of the North American Industry
53 Classification System, that employed not more than [fifty] one
54 hundred employees on at least fifty per cent of its working days
55 during the preceding twelve months.

56 (b) (1) There is established within the Labor Department a
57 Subsidized Training and Employment program for eligible small
58 businesses and eligible small manufacturers. Said program shall
59 provide grants to such businesses and manufacturers to subsidize, for
60 the first six months after a person is hired, a part of the cost of
61 employment, including any costs related to training. No such business
62 or manufacturer receiving a grant under this section with respect to a
63 new employee or newly hired person may receive a second grant
64 under this section with respect to the same new employee or newly
65 hired person.

66 (2) [The] At the discretion of the Labor Commissioner, the
67 department may use up to four per cent of any funds allocated
68 pursuant to section 5 of public act 11-1 of the October special session,
69 as amended by this act, for the purpose of retaining outside
70 consultants [to administer] or the Workforce Investment Boards to
71 operate the Subsidized Training and Employment program.

72 (3) In fiscal year 2013, the department may use up to four per cent of
73 any funds allocated pursuant to section 5 of public act 11-1 of the
74 October special session, as amended by this act, in said fiscal year for
75 the purpose of the marketing and operation of the Subsidized Training
76 and Employment program.

77 (c) (1) An eligible small business may apply to the department for a
78 grant to subsidize on-the-job training and compensation for a new
79 employee, where "new employee" means a person who (A) was

80 unemployed immediately prior to employment, regardless of whether
81 such person collected unemployment compensation benefits as a result
82 of such unemployment, (B) is a resident of a municipality that has (i)
83 an unemployment rate that is equal to or higher than the state
84 unemployment rate as of September 1, 2011, or (ii) a population of
85 eighty thousand or more, and (C) has a family income equal to or less
86 than two hundred fifty per cent of the federal poverty level, adjusted
87 for family size. "New employee" does not include a person who was
88 employed in this state by a related person with respect to the eligible
89 small business during the prior twelve months or a person employed
90 on a temporary or seasonal basis by a retailer, as defined in section 42-
91 371.

92 (2) Grants to eligible small businesses under the Subsidized
93 Training and Employment program shall be in the following amounts:
94 (A) For the first [full calendar month] thirty calendar days a new
95 employee is employed, one hundred per cent of an amount
96 representing the hourly wage of such new employee, exclusive of any
97 benefits, but in no event shall such amount exceed twenty dollars per
98 hour; (B) for the [second and third full calendar months] thirty-first to
99 ninetieth, inclusive, calendar days, seventy-five per cent of such
100 amount; (C) for the [fourth and fifth full calendar months] ninety-first
101 to one hundred fiftieth, inclusive, calendar days, fifty per cent of such
102 amount; and (D) for the [sixth full calendar month] one hundred fifty-
103 first to one hundred eightieth, inclusive, calendar days, twenty-five per
104 cent of such amount. Grants shall be cancelled as of the date the new
105 employee leaves employment with the eligible small business.

106 (d) (1) An eligible small manufacturer may apply to the department
107 for a grant to be used to train and compensate persons newly hired by
108 such manufacturer. Any training shall be provided by such
109 manufacturer, and take place on such manufacturer's premises, but no
110 existing formal training program shall be required. The [department]
111 Labor Commissioner, or said commissioner's designee, shall review
112 and approve such manufacturer's description of the proposed training
113 as part of the application.

114 (2) Grants awarded to an eligible small manufacturer pursuant to
115 this subsection shall subsidize the costs of training and compensating
116 each person newly hired by such manufacturer. In no event shall a
117 grant exceed the salary of the newly hired person. Maximum amounts
118 of each grant are: For the first full calendar month a newly hired
119 person is employed, up to two thousand five hundred dollars; for the
120 second month, up to two thousand four hundred dollars; for the third
121 month, up to two thousand two hundred dollars; for the fourth month,
122 up to two thousand dollars; for the fifth month, up to one thousand
123 eight hundred dollars; and for the sixth month, up to one thousand six
124 hundred dollars. No grant shall exceed a total amount of twelve
125 thousand five hundred dollars per newly hired person. A grant may be
126 cancelled as of the date such person leaves employment with the
127 eligible small manufacturer.

128 (e) Not later than [June 30, 2012, and every six months] July 15, 2012,
129 and annually thereafter, and January 15, 2013, and annually thereafter,
130 the Labor Commissioner shall provide a report, in accordance with the
131 provisions of section 11-4a, to the joint standing committees of the
132 General Assembly having cognizance of matters relating to finance,
133 revenue and bonding, appropriations, commerce and labor. Said
134 report shall include available data, for the six-month period ending on
135 the last day of the calendar month preceding such report, on (1) the
136 number of small businesses that participated in the Subsidized
137 Training and Employment program established pursuant to subsection
138 (c) of this section, and the general categories of such businesses, (2) the
139 number of small manufacturers that participated in the Subsidized
140 Training and Employment program established pursuant to subsection
141 (d) of this section, and the general categories of such manufacturers, (3)
142 the number of individuals that received employment, and (4) the most
143 recent estimate of the number of jobs created or maintained.

144 (f) The Labor Commissioner may adopt regulations in accordance
145 with the provisions of chapter 54 to carry out the provisions of this
146 section.

147 Sec. 3. Section 5 of public act 11-1 of the October special session is
148 repealed and the following is substituted in lieu thereof (*Effective from*
149 *passage*):

150 (a) For the purposes described in subsection (b) of this section, the
151 State Bond Commission shall have the power, from time to time, to
152 authorize the issuance of bonds of the state in one or more series and
153 in principal amounts not exceeding in the aggregate twenty million
154 dollars, provided ten million dollars of said authorization shall be
155 effective July 1, 2012.

156 (b) The proceeds of the sale of said bonds, to the extent of the
157 amount stated in subsection (a) of this section, shall be used by the
158 Labor Department for the purpose of the Subsidized Training and
159 Employment program established pursuant to section 4 of [this act]
160 public act 11-1 of the October special session, provided (1) [five] ten
161 million dollars of the amount stated in subsection (a) of this section
162 shall be used in [each of] fiscal years 2012, [and] 2013 and 2014 for the
163 small business program established pursuant to [subsection (c) of
164 section 4 of this act] section 32-7g of the general statutes, as amended
165 by this act, and (2) [five] ten million dollars of the amount stated in
166 subsection (a) of this section shall be used in [each of] fiscal years 2012,
167 [and] 2013 and 2014 for the small manufacturer program established
168 pursuant to [subsection (d) of section 4 of this act] section 31-3pp of the
169 general statutes, as amended by this act.

170 (c) All provisions of section 3-20 of the general statutes, or the
171 exercise of any right or power granted thereby, which are not
172 inconsistent with the provisions of this section are hereby adopted and
173 shall apply to all bonds authorized by the State Bond Commission
174 pursuant to this section, and temporary notes in anticipation of the
175 money to be derived from the sale of any such bonds so authorized
176 may be issued in accordance with said section 3-20 and from time to
177 time renewed. Such bonds shall mature at such time or times not
178 exceeding twenty years from their respective dates as may be provided
179 in or pursuant to the resolution or resolutions of the State Bond

180 Commission authorizing such bonds. None of said bonds shall be
181 authorized except upon a finding by the State Bond Commission that
182 there has been filed with it a request for such authorization which is
183 signed by or on behalf of the Secretary of the Office of Policy and
184 Management and states such terms and conditions as said commission,
185 in its discretion, may require. Said bonds issued pursuant to this
186 section shall be general obligations of the state and the full faith and
187 credit of the state of Connecticut are pledged for the payment of the
188 principal of and interest on said bonds as the same become due, and
189 accordingly and as part of the contract of the state with the holders of
190 said bonds, appropriation of all amounts necessary for punctual
191 payment of such principal and interest is hereby made, and the State
192 Treasurer shall pay such principal and interest as the same become
193 due.

194 Sec. 4. (NEW) (*Effective from passage*) (a) For purposes of this section:

195 (1) "Department" means the Labor Department;

196 (2) "Eligible business" means a business that (A) is a Connecticut-
197 based business with operations in Connecticut, (B) has been registered
198 to conduct business in this state for not less than twelve months, and
199 (C) is in good standing with the payment of all state and local taxes;

200 (3) "Control", with respect to a corporation, means ownership,
201 directly or indirectly, of stock possessing fifty per cent or more of the
202 total combined voting power of all classes of the stock of such
203 corporation entitled to vote. "Control", with respect to a trust, means
204 ownership, directly or indirectly, of fifty per cent or more of the
205 beneficial interest in the principal or income of such trust. The
206 ownership of stock in a corporation, of a capital or profits interest in a
207 partnership, limited liability company or association or of a beneficial
208 interest in a trust shall be determined in accordance with the rules for
209 constructive ownership of stock provided in Section 267(c) of the
210 Internal Revenue Code of 1986, or any subsequent corresponding
211 internal revenue code of the United States, as from time to time
212 amended, other than paragraph (3) of said Section 267(c);

213 (4) "Related person" means (A) a corporation, limited liability
214 company, partnership, association or trust controlled by an eligible
215 business, (B) an individual, corporation, limited liability company,
216 partnership, association or trust that is in control of an eligible
217 business, (C) a corporation, limited liability company, partnership,
218 association or trust controlled by an individual, corporation, limited
219 liability company, partnership, association or trust that is in control of
220 an eligible business, or (D) a member of the same controlled group as
221 an eligible business;

222 (5) "New employee" means a person who (A) was unemployed prior
223 to employment with an eligible business, regardless of whether such
224 person collected unemployment compensation benefits as a result of
225 such unemployment, (B) was a member of the armed forces of any
226 state or of any reserve component of the armed forces of the United
227 States and was called to active service in the armed forces of any state
228 or the United States in support of (i) Operation Enduring Freedom, or
229 (ii) military operations that were authorized by the President of the
230 United States that entail military action against Iraq, and (C) was
231 honorably discharged after not less than ninety days of service in an
232 area designated by the President of the United States by executive
233 order as a combat zone, as indicated on a military discharge document,
234 as defined in section 1-219 of the general statutes, unless separated
235 from service earlier because of a service-connected disability rated by
236 the Veterans' Administration. "New employee" does not include a
237 person who was employed in this state by a related person of such
238 eligible business during any of the twelve months prior to employment
239 with the eligible business; and

240 (6) "On-the-job training" means training provided by an eligible
241 business on such business' premise.

242 (b) (1) There is established within the Labor Department an
243 Unemployed Armed Forces Member Subsidized Training and
244 Employment program for eligible businesses. Said program shall
245 provide grants to eligible businesses to subsidize, for the first six

246 months after a new employee is hired, part of the cost of on-the-job
247 training and compensation for such new employee, in accordance with
248 subsection (c) of this section. No business receiving a grant under this
249 section with respect to a new employee may receive a second grant
250 under this section or a grant under section 31-3pp of the general
251 statutes, as amended by this act, with respect to the same new
252 employee.

253 (2) At the discretion of the Labor Commissioner, the department
254 may use up to four per cent of any funds allocated pursuant to section
255 5 of this act, for the purpose of retaining outside consultants or the
256 Workforce Investment Boards to operate the Unemployed Armed
257 Forces Member Subsidized Training and Employment program.

258 (3) In fiscal year 2013, the department may use up to four per cent of
259 any funds allocated pursuant to section 5 of this act in said fiscal year
260 for the purpose of the marketing and operation of the Unemployed
261 Armed Forces Member Subsidized Training and Employment
262 program.

263 (c) (1) An eligible business may apply to the department for a grant
264 to subsidize on-the-job training and compensation for a new employee
265 hired by such business. The Labor Commissioner, or said
266 commissioner's designee, shall review and approve such business'
267 description of the proposed on-the-job training as part of the grant
268 application.

269 (2) A grant awarded to an eligible business pursuant to this
270 subsection shall be in the following amount: (A) For the first thirty
271 calendar days a new employee is employed, one hundred per cent of
272 the wage of such new employee, exclusive of any benefits, not to
273 exceed twenty dollars per hour; (B) for the thirty-first to ninetieth,
274 inclusive, calendar days, seventy-five per cent of such amount; (C) for
275 the ninety-first to one hundred fiftieth, inclusive, calendar days, fifty
276 per cent of such amount; and (D) for the one hundred fifty-first to one
277 hundred eightieth, inclusive, calendar days, twenty-five per cent of
278 such amount. A grant shall be cancelled as of the date the new

279 employee leaves employment with the eligible business.

280 (d) Not later than July 15, 2013, and annually thereafter, and January
281 15, 2014, and annually thereafter, the Labor Commissioner shall
282 provide a report, in accordance with the provisions of section 11-4a of
283 the general statutes, to the joint standing committees of the General
284 Assembly having cognizance of matters relating to finance, revenue
285 and bonding, appropriations, commerce, veterans and labor. Said
286 report shall include available data, for the six-month period ending on
287 the last day of the calendar month preceding such report, on (1) the
288 number of businesses that participated in the Unemployed Armed
289 Forces Member Subsidized Training and Employment program
290 established pursuant to subsection (b) of this section, and the general
291 categories of such businesses, and (2) the number of individuals that
292 received employment under said program.

293 (e) The Labor Commissioner may adopt regulations in accordance
294 with the provisions of chapter 54 of the general statutes to carry out
295 the provisions of this section.

296 Sec. 5. (NEW) (*Effective from passage*) (a) For the purposes described
297 in subsection (b) of this section, the State Bond Commission shall have
298 the power, from time to time, to authorize the issuance of bonds of the
299 state in one or more series and in principal amounts not exceeding in
300 the aggregate ten million dollars, provided five million dollars of said
301 authorization shall be effective July 1, 2013.

302 (b) The proceeds of the sale of said bonds, to the extent of the
303 amount stated in subsection (a) of this section, shall be used by the
304 Labor Department for the purposes of the Unemployed Armed Forces
305 Member Subsidized Training and Employment program established
306 pursuant to section 4 of this act.

307 (c) All provisions of section 3-20 of the general statutes, or the
308 exercise of any right or power granted thereby, which are not
309 inconsistent with the provisions of this section are hereby adopted and
310 shall apply to all bonds authorized by the State Bond Commission

311 pursuant to this section, and temporary notes in anticipation of the
312 money to be derived from the sale of any such bonds so authorized
313 may be issued in accordance with said section 3-20 and from time to
314 time renewed. Such bonds shall mature at such time or times not
315 exceeding twenty years from their respective dates as may be provided
316 in or pursuant to the resolution or resolutions of the State Bond
317 Commission authorizing such bonds. None of said bonds shall be
318 authorized except upon a finding by the State Bond Commission that
319 there has been filed with it a request for such authorization which is
320 signed by or on behalf of the Secretary of the Office of Policy and
321 Management and states such terms and conditions as said commission,
322 in its discretion, may require. Said bonds issued pursuant to this
323 section shall be general obligations of the state and the full faith and
324 credit of the state of Connecticut are pledged for the payment of the
325 principal of and interest on said bonds as the same become due, and
326 accordingly and as part of the contract of the state with the holders of
327 said bonds, appropriation of all amounts necessary for punctual
328 payment of such principal and interest is hereby made, and the State
329 Treasurer shall pay such principal and interest as the same become
330 due.

331 Sec. 6. (NEW) (*Effective October 1, 2012*) The Commissioner of
332 Economic and Community Development shall establish and
333 administer a program to promote the marketing of products produced
334 in Connecticut for the purpose of encouraging the development of
335 manufacturing and production in the state. The commissioner may,
336 within available appropriations, provide a grant-in-aid to any person,
337 firm, partnership or corporation engaged in the promotion and
338 marketing of such products, provided the words "CONNECTICUT-
339 MADE" or "CT-Made" are clearly incorporated in such promotional
340 and marketing activities. The commissioner shall (1) provide for the
341 design, plan and implementation of a multiyear, state-wide marketing
342 and advertising campaign, including, but not limited to, television and
343 radio advertisements, promoting the availability of, and advantages of
344 purchasing, Connecticut-made products, (2) establish and
345 continuously update a web site connected with such advertising

346 campaign that includes, but is not limited to, a comprehensive listing
347 of Connecticut manufacturers, Connecticut-made products and
348 Connecticut retailers selling Connecticut-made products, (3) direct
349 Connecticut manufacturers and producers of Connecticut-made
350 products in need of assistance to the appropriate economic
351 development entity or state agency, and (4) conduct efforts to promote
352 interaction and business relationships between Connecticut
353 manufacturers and producers of Connecticut-made products and
354 retailers, marketers, chambers of commerce, regional tourism districts
355 and other potential institutional purchasers of Connecticut-made
356 products, including, but not limited to, (A) linking Connecticut
357 manufacturers and producers of Connecticut-made products with
358 potential purchasers through a separate feature of the web site
359 established pursuant to this section, and (B) organizing state-wide or
360 regional events promoting Connecticut manufacturers and producers
361 of Connecticut-made products, where such manufacturers, producers
362 and institutional purchasers are invited to participate. The
363 commissioner shall use his or her best efforts to solicit cooperation and
364 participation from Connecticut manufacturers, producers of
365 Connecticut-made products, retailers, marketers, chambers of
366 commerce and regional tourism districts in such advertising, Internet-
367 related and event planning efforts, including, but not limited to,
368 soliciting private sector matching funds. The commissioner shall
369 administer this program within available appropriations. On or before
370 January 1, 2013, and annually thereafter, the commissioner shall report
371 to the joint standing committee of the General Assembly having
372 cognizance of matters relating to commerce on issues with respect to
373 efforts undertaken pursuant to the requirements of this section,
374 including, but not limited to, the amount of private matching funds
375 received and expended by the department. The commissioner may
376 adopt such regulations, in accordance with chapter 54 of the general
377 statutes, as he or she deems necessary to carry out the purposes of this
378 section.

379 Sec. 7. Subdivision (6) of subsection (a) of section 46a-60 of the 2012
380 supplement to the general statutes is repealed and the following is

381 substituted in lieu thereof (*Effective October 1, 2012*):

382 (6) For any person, employer, employment agency or labor
383 organization, except in the case of a bona fide occupational
384 qualification or need, to advertise employment opportunities in such a
385 manner as to restrict such employment so as to discriminate against
386 [individuals] any individual because (A) of [their] such individual's
387 race, color, religious creed, age, sex, gender identity or expression,
388 marital status, national origin, ancestry, present or past history of
389 mental disability, intellectual disability, learning disability or physical
390 disability, including, but not limited to, blindness, or (B) such
391 individual is unemployed;

392 Sec. 8. (NEW) (*Effective from passage*) (a) The Commissioner of
393 Economic and Community Development, in consultation with the
394 Culture and Tourism Advisory Committee, shall develop a program to
395 designate locations in the state with cultural, educational or historical
396 significance as "Connecticut Treasures". Such program shall include a
397 plan to promote locations designated as Connecticut Treasures and
398 shall outline ways existing programs of the Department of Economic
399 and Community Development and Culture and Tourism Advisory
400 Committee may be used to promote such locations.

401 (b) Such locations shall be designated on or before October 1, 2012.

402 Sec. 9. (NEW) (*Effective October 1, 2012*) Not later than July 1, 2013,
403 the Department of Education, within available appropriations and in
404 consultation with the Department of Economic and Community
405 Development, shall develop a "Connecticut Treasures" curriculum for
406 use by local and regional boards of education. Such curriculum shall
407 be based on locations in the state designated as Connecticut Treasures
408 pursuant to section 8 of this act, and may incorporate students' visits to
409 such locations.

410 Sec. 10. Subsection (a) of section 32-41 of the 2012 supplement to the
411 general statutes is repealed and the following is substituted in lieu
412 thereof (*Effective from passage*):

413 (a) (1) The Department of Economic and Community Development
414 shall establish a first five plus program to encourage business
415 expansion and job creation. As part of said program, the department
416 may provide substantial financial assistance to up to ten eligible
417 business development projects in the fiscal year ending June 30, 2012,
418 and up to five eligible business development projects in the fiscal year
419 ending June 30, 2013.

420 (2) A business development project eligible for financial assistance
421 under the first five plus program shall commit, in the manner
422 prescribed by the Commissioner of Economic and Community
423 Development, to (A) create not less than two hundred new jobs within
424 twenty-four months from the date such application is approved; or (B)
425 invest not less than twenty-five million dollars and create not less than
426 two hundred new jobs [within] not later than five years [from] after the
427 date such application is approved.

428 (3) The Commissioner of Economic and Community Development
429 may give preference to a business development project that (A)
430 involves the relocation of an out-of-state or international manufacturer
431 or corporate headquarters, (B) involves the relocation of jobs that are
432 outside the United States to Connecticut, or [(B)] (C) is a
433 redevelopment project if the commissioner believes such
434 redevelopment project will create jobs sooner than the schedule set
435 forth in subdivision (2) of this subsection.

436 (4) The Commissioner of Economic and Community Development
437 may, in awarding financial assistance to an eligible business
438 development project, work with the Connecticut Development
439 Authority and Connecticut Innovations, Incorporated, to secure
440 financing for such project.

441 (5) The Commissioner of Economic and Community Development
442 shall certify to the Governor for his or her approval that a business
443 development project applicant has satisfied all the eligibility criteria in
444 the program. Financial assistance awarded through the first five plus
445 program shall be with the written consent of the Governor.

446 Sec. 11. Subsection (a) of section 32-235 of the 2012 supplement to
 447 the general statutes is repealed and the following is substituted in lieu
 448 thereof (*Effective from passage*):

449 (a) For the purposes described in subsection (b) of this section, the
 450 State Bond Commission shall have the power, from time to time to
 451 authorize the issuance of bonds of the state in one or more series and
 452 in principal amounts not exceeding in the aggregate one billion fifteen
 453 million three hundred thousand dollars, provided one hundred forty
 454 million dollars of said authorization shall be effective July 1, 2011, and
 455 twenty million dollars of said authorization shall be made available for
 456 small business development. Two hundred eighty million dollars of
 457 said authorization shall be effective July 1, 2012, and forty million
 458 dollars of said authorization shall be made available for small business
 459 development and twenty million dollars of said authorization shall be
 460 made available for businesses that commit to relocating one hundred
 461 or more jobs that are outside of the United States to the state. Any
 462 amount of said authorizations that are required to be made available
 463 for small business development or businesses that commit to
 464 relocating one hundred or more jobs that are outside of the United
 465 States to the state but are not exhausted for such purpose by the first
 466 day of the fiscal year subsequent to the fiscal year in which such
 467 amount was made available shall be used for the purposes described
 468 in subsection (b) of this section. For purposes of this subsection, a
 469 "small business" is one employing not more than fifty employees.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	32-7g(a)
Sec. 2	<i>from passage</i>	31-3pp
Sec. 3	<i>from passage</i>	PA 11-1 of the October Sp. Sess., Sec. 5
Sec. 4	<i>from passage</i>	New section
Sec. 5	<i>from passage</i>	New section
Sec. 6	<i>October 1, 2012</i>	New section
Sec. 7	<i>October 1, 2012</i>	46a-60(a)(6)

Sec. 8	<i>from passage</i>	New section
Sec. 9	<i>October 1, 2012</i>	New section
Sec. 10	<i>from passage</i>	32-41(a)
Sec. 11	<i>from passage</i>	32-235(a)

Statement of Legislative Commissioners:

In subsection (a)(5) of section 4, "1-129" was deleted and "1-219" was inserted in lieu thereof for accuracy of reference, and in subsection (a) (3) of section 10, "were" was deleted and "are" was inserted in lieu thereof for clarity and consistency.

CE *Joint Favorable Subst. C/R*

ED

ED *Joint Favorable Subst.-LCO*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 13 \$	FY 14 \$
Labor Dept.	GOBonds - See Below	See Below	See Below
Treasurer, Debt Serv.	GF - Cost	See Below	See Below
Department of Economic & Community Development	GF - Cost	Approximately 217,500	Approximately 290,000
State Comptroller - Fringe Benefits ¹	GF - Cost	Approximately 17,532	Approximately 23,376
Department of Economic & Community Development	GF - Potential Cost	See Below	See Below
Education, Dept.	GF - Cost	250,000 - 500,000	None

Note: GOBonds=General Obligation Bonds; GF=General Fund

Municipal Impact: None

Explanation

The bill results in a fiscal impact as described in detail below:

Section 1 expands the Small Business Express Program (Express) to additional businesses. These changes do not result in a fiscal impact because the amount available to Express is unchanged under the bill.²

Sections 2 and 3 allow the Department of Labor (DOL) to use up to 4%, or \$800,000, of its \$20 million bond authorization in FY 13 to market and operate the Subsidized Training and Employment Program. This is in addition to the \$800,000 in bond funds that PA 11-1

¹ The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated non-pension fringe benefit cost associated with most personnel changes is 29.22% of payroll in FY 13 and FY 14.

² PA 11-1 of the October Special Session authorized \$100 million to the Small Business Express Program. The State Bond Commission allotted \$50 million to the program on December 16, 2011.

of the October Special Session had allowed DOL to use for program administration. The bill also allows DOL to expend bond funds in FY 14.

The bill makes other changes to the STEP program which do not have a fiscal impact.

Section 4 and 5 establish the Unemployed Armed Forces Subsidized Training and Employment Program within DOL. The bill authorizes \$10 million (\$5 million in each of FY 12 and FY 14) in General Obligation (GO) bonds to the Labor Department for the program. The total General Fund debt service cost for principal and interest payments to bond this amount over 20 years at a 5.0% interest rate is \$15.3 million (comprised of \$5.3 million in interest and \$10 million in principal). The first year that the state will experience debt service costs associated with the bonds depends on when they are allocated through the State Bond Commission and when the funds are expended.

The bill allows DOL use up to 4% of its total authorization, or \$400,000, for program administration. For FY 13, it allows DOL to use up to an additional 4% of bond funds available in FY 12 (the first authorization of \$5 million) for marketing and operating the program.

Section 6 requires the Department of Economic and Community Development (DECD) to administer a “Connecticut-Made” (or “CT-Made”) program within available appropriations. If the bill were to be implemented the cost to DECD would be up to \$235,000 in FY 13 and \$313,400 annually thereafter, depending on the scope of the marketing campaign.

Assuming the CT-Made program would mirror the “Connecticut Grown” program, the annual cost to the Department would be \$110,000 for operation costs and grants and one staff to administer with a salary of \$80,000 plus \$23,376 in fringes.

Additionally, the cost to produce a statewide marketing campaign is

estimated to be approximately \$100,000 annually, depending on the scope of the campaign.³ The bill does allow the Commissioner of DECD to solicit participation from other entities in advertising, Internet-related and event planning efforts.

This cost may potentially be offset by the following funding sources/issues:

1. The bill allows DECD to solicit private funds for use in the administration of the program.
2. Additionally, the bill provides the Commissioner of DECD with discretion over the issuance of grants to people and organizations agreeing to use the term "CT-Made."

Section 7 makes it illegal to discriminate against unemployed people in advertising of employment opportunities. This has no fiscal impact.

Section 8 requires DECD to establish the Connecticut Treasures program. DECD is currently in the process of creating a similar program wherein the agency will designate fifty places of historic or culture significance and will promote each through a catalogue available at each designated institution. Additionally, DECD has partnered with the Connecticut Public Television (CPTV) to produce short videos on each designated institution.

To the extent that DECD implements their planned program as "CT Treasures," there would be no additional to DECD. If DECD were to develop a "CT Treasures" program entirely separate from their current program, it may cost the agency up to \$250,000 for marketing-related activities.

Section 9 results in an additional cost of \$250,000-\$500,000 to the

³The Department currently conducts marketing initiatives that are funded through the Statewide Marketing account. The FY 12 appropriation to the statewide marketing account is \$15.0 million. This funding is projected to be fully expended by the end of the fiscal year.

State Department of Education (SDE). The additional cost is associated with the requirement that SDE develop a curriculum of “Connecticut Treasures” for use by local and regional boards of education. On average, it costs SDE over \$1.0 million to develop and implement a new curriculum. It is anticipated that this curriculum will cost less to develop, as the Department of Economic and Community Development has a similar program that they have developed and are beginning to implement. Additionally, SDE also has a model framework to follow that they are currently using as part of the Social Studies curriculum. The costs that are not covered include: model curriculum to be piloted, funds to design a field study to test the newly developed curriculum, and costs to conduct the field study.

Section 10 and 11 have no fiscal impact by allowing the Commissioner of Economic and Community Development to give preference under the “First Five Plus” program to business projects that plan to relocate jobs from other countries to Connecticut.

The changes to the bond provisions for the Manufacturing Assistance Act (MAA) program have no fiscal impact because they do not authorize additional General Obligation (GO) bonds for the program.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation. The fiscal impact identified in Section 5 above would continue into the future for the term of issuance of the bonds.

OLR Bill Analysis**sSB 1*****AN ACT CONCERNING JOBS AND THE ECONOMY*****SUMMARY:**

This bill expands existing workforce and small business development programs, creates programs for hiring certain unemployed veterans and promoting the state's economic and cultural assets, and makes it a discriminatory employment practice to advertise job openings in a way that discriminates against unemployed people.

The bill expands the Subsidized Training and Employment Program (STEP) and the Small Business Express Program by opening them to more businesses. Current law limits both programs to businesses with 50 or fewer employees. The bill opens them to businesses with up to 100 employees. It also opens STEP to retailers hiring permanent full-time and part-time employees and authorizes an additional First Five Plus Program preference for businesses relocating overseas jobs to Connecticut.

The bill establishes a subsidized training and employment program for hiring unemployed Iraq and Afghanistan war veterans modeled after STEP and authorizes \$10 million in bonds for the program. It requires the Department of Economic and Community Development (DECD) commissioner to establish programs promoting products made in Connecticut and the state's cultural, educational, and historic attractions (i.e., Connecticut Treasures).

EFFECTIVE DATE: Various, see below.

§§ 2-3 — STEP***Eligible Businesses***

The bill makes programmatic and administrative changes to STEP,

which subsidizes the costs of training and compensating a new employee during his or her first six months on the job. The subsidies are different for small manufacturers and other types of small businesses, but the eligibility criteria are mostly the same.

Under current law, both types of businesses qualify for STEP if they employ 50 or fewer people. The bill opens the program to businesses employing up to 100 people and to retailers, which current law explicitly excludes. In opening the program to retailers, the bill specifies that the subsidies are available only for new permanent full-time and part-time employees, not temporary or seasonal employees.

Subsidy Schedule

The bill resets the schedule for making subsidy payments to non manufacturing small businesses. By law, the subsidies cover a portion of the training and compensation cost of each new employee, up to \$20 per hour. Under current law, the portion declines over each new employee's first six calendar months on the job.

The bill changes the subsidy period from calendar months to a 180-day period divided into four periods, but does not change the subsidy levels, which range from 100% to 25%, as Table 1 shows.

Table 1: STEP Subsidy Schedule for Non Manufacturing Small Businesses

<i>Period</i>	<i>Subsidy Level</i>
Days 1-30	100%
Days 31-90	75%
Days 91-150	50%
Days 151-180	20%

(The subsidy for small manufactures, which the bill does not change, is a grant that phases out over six months. The maximum grant ranges from \$2,500 for the first month to \$1,600 for the last.)

Administrative Costs

The bill increases the share of STEP funds that can be used to cover administrative costs. In doing so, it creates two separate set-asides for different entities involved in running the program.

Current law provides one set-aside, which cannot exceed 4% of the allocated funds. The Department of Labor (DOL) can use the set-aside to cover the cost of retaining outside consultants to run the program. The bill allows DOL to also use the set-aside to retain the Workforce Investment Boards to run the program.

The bill creates a separate set-aside for covering STEP's marketing and operations costs. In FY 13, it allows DOL to use up to 4% of STEP's funds for these costs.

Reporting Period

The bill sets deadlines for submitting each biannual report. Under current law, DOL must submit the first report by June 30, 2012 and the subsequent reports every six months from that date. Under the bill, the report for the period covering January to June is due July 15, starting in 2012, and annually thereafter. The report for the period covering July to December is due January 15, starting in 2013 and annually thereafter.

Bonds

The bill extends the period during which the bonds authorized for STEP's small business and manufacturers components are available. The law authorizes \$20 million for STEP, with \$10 million available each in FY 12 and FY 13. Current law divides the annual authorization between the two components, providing \$5 million for each in FY 12 and FY 13. The bill extends the time for both components bonds by one year, to FY 14.

Effective Date: Upon passage

§ 1 — SMALL BUSINESS EXPRESS PROGRAM ELIGIBILITY

The bill opens the Small Business Express Program to more

businesses. Under current law, a business qualifies for Express loans and grants if it employs 50 or fewer people during at least half of its working days during the prior 12 months and meets other specified criteria. The bill raises the employee ceiling to 100 employees.

Effective Date: Upon passage

§ 10 — FIRST FIVE PLUS JOBS RELOCATION PREFERENCE

The bill allows the DECD commissioner to give a preference under the “First Five Plus” program to proposed business projects that will relocate overseas jobs to Connecticut. The program offers loans, tax incentives, and other forms of economic development assistance to businesses committing to create jobs and invest capital within the law's timeframes. Current law allows her to give preferences to:

1. manufacturers from other states or countries relocating to Connecticut,
2. businesses relocating their corporate headquarters here, or
3. business “redevelopment projects” that she believes can create jobs and invest capital sooner than the law requires.

By law, a business qualifies for First Five assistance if it commits to:

1. create at least 200 jobs within 24 months after the commissioner approves the assistance or
2. invest at least \$ 25 million and create at least 200 new jobs within five years after she approves the assistance.

The bill also reserves \$20 million from an existing FY 13 \$280 million economic development bond authorization for businesses that propose to relocate at least 100 overseas jobs to Connecticut. Any balance remaining in this \$20 million reservation after FY 13 must be used to fund economic development projects.

EFFECTIVE DATE: Upon passage

§§4-5 — UNEMPLOYED ARMED FORCES MEMBER SUBSIDIZED TRAINING AND EMPLOYMENT PROGRAM***Purpose***

The bill establishes the Unemployed Armed Forces Member Subsidized Training and Employment Program to provide grants subsidizing businesses' costs of hiring unemployed veterans during their first 180 days (about six months) on the job. It authorizes \$ 10 million in bonds for the program, with \$ 5 million available upon its passage and the balance available in FY 14. The bill requires the labor commissioner to run the program and allows him to adopt implementing regulations.

Eligibility

The program is open to any type of business that is based in Connecticut, has been registered to do business here for at least 12 months, and is in good standing regarding all state and local taxes. The business qualifies for a training and employment grant depending on the new employees' prior employment and veteran status.

Employment Status. Employees (1) must be unemployed before the business hired them, whether or not they received unemployment benefits, and (2) cannot have been employed by a related person in Connecticut at any time during the 12 months before they were hired.

A “related person” includes a corporation, limited liability company (LLC), partnership, association, or trust that controls the eligible business or is under its control. Control is based on ownership of (1) stock in a corporation; (2) capital or profit interest in a partnership, LLC, or association; or (3) a beneficial interest in a trust, all according to federal tax law.

Veteran Status. The business' eligibility for the grant also depends on a new employee's veteran status. The new employee must have been:

1. a member of the armed forces of any state or any reserve component of the U. S. armed forces;

2. called to active service in support of Operation Enduring Freedom or presidentially authorized military operations against Iraq; and
3. honorably discharged after serving at least 90 days in an area the president designated by executive order as a combat zone, or earlier if the employee was separated from service due to a Veterans' Administration-rated service connected disability.

Training and Employment Grants

Businesses may apply to DOL for a grant for each employee meeting the above criteria. In doing so, they must describe the on-the-job training the employee will receive. The DOL commissioner or his designee must review and approve that description as part of the business' grant application.

The grant covers a portion of the cost of compensating the employee, not counting benefits, during the first 180 days on the job, up to a maximum of \$20 per hour. As Table 1 shows, the grant amount phases out during this period.

Table 1: Subsidy Schedule

<i>Period</i>	<i>Grant Amount as Percent of Employee's Wages</i>
Day 1-30	100%
Day 31-90	75%
Day 91-150	50%
Day 151-180	25%

The grant payments immediately end if the employee leaves the business before the end of the six-month period. A business receiving a grant cannot receive (1) a second grant for an employee who remains after this period or (2) a STEP grant.

Administrative Costs

The bill allows a portion of the funds allocated for the program to cover administrative costs. It does so by creating two separate set-asides for different entities involved in running the program. It allows DOL to use up to 4% of the funds to cover the costs of retaining the Workforce Investment Boards or outside consultants to run the program. In FY 13, the bill also allows DOL to use up to 4% of the funds to cover the program's marketing and operations costs.

Reporting

The labor commissioner must report biannually on the program to the Appropriations; Commerce; Labor; Veterans; and Finance, Revenue and Bonding committees. Each six-month report must include available data on:

1. the number and types of businesses that received training and employment grants and
2. the number of unemployed veterans hired because of these grants.

The biannual report covering the January to June period is due July 15, starting in 2013, and annually thereafter; the report covering the July to December period is due, January 15, starting in 2014, and annually thereafter.

Effective Date: Upon passage

§ 6 — "CONNECTICUT-MADE" MARKETING CAMPAIGN**Purpose**

The bill requires the DECD commissioner to encourage the development of the state's manufacturing and production sectors by establishing and administering a program that promotes the marketing of Connecticut-made products. The commissioner must administer the program within available appropriations. She may also adopt implementing regulations.

Program Components

The bill specifies the components the commissioner must include in the program. She must:

1. provide for the design, planning, and implementation of a multiyear, state-wide marketing and advertising plan that includes television and radio advertisements showcasing Connecticut-made products and the advantages they offer;
2. establish and continuously update an associated website that lists Connecticut manufacturers, the products they make, and the retailers that sell them;
3. help Connecticut manufacturers and producers needing assistance access the appropriate economic development organizations; and
4. foster contacts and relationships between businesses making or producing Connecticut products and retailers, marketers, chambers of commerce, regional tourism districts, and other potential institutional customers (i. e., program stakeholders).

The last component includes providing a feature on the website linking Connecticut manufacturers and producers with potential buyers and staging statewide or regional promotional events where these groups can participate.

In addition to these required components, the bill allows the commissioner to make grants, within available appropriations, to individuals and businesses that promote and market Connecticut-made products. Grant recipients must clearly incorporate the phrases, "CONNECTICUT-MADE" or "CT-Made" in their promotional and marketing activities.

Business Participation

The bill requires the commissioner to engage the program's stakeholders in its activities. She must make her best efforts to solicit

their cooperation and participation in advertising Connecticut products, developing the website, and planning events, including soliciting private funds to match state funds.

Annual Reports

Beginning January 1, 2013, the bill requires the commissioner to submit annual status reports to the Commerce Committee. The report must describe the program's activities and the amount of private matching funds DECD received and spent.

EFFECTIVE DATE: October 1, 2012

§§ 8-9 — CONNECTICUT TREASURES

The bill provides a method to identify and promote Connecticut's "cultural treasures" and educate children about them. It requires the DECD commissioner to consult with the Tourism Advisory Committee about designating culturally, educationally, and historically significant locations and develop a plan to promote them. She must also outline how existing DECD programs can promote these locations.

The bill also requires the education commissioner to consult with the DECD commissioner on developing a curriculum local and regional school boards can use with respect to the designated Connecticut Treasures. The curriculum may incorporate student visits to these locations. The education commissioner must develop the curriculum within available appropriations.

EFFECTIVE DATE: Upon passage, except for the requirement regarding the curriculum, which takes effect October 1, 2012.

§ 7 — DISCRIMINATORY HIRING PRACTICES

This bill makes it a discriminatory employment practice to advertise employment opportunities in a way that discriminates against anyone because he or she is unemployed, unless there is a bona fide occupational qualification or need. The bill applies to people, employers, employment agencies, and labor organizations advertising such opportunities.

Under existing law, it is a discriminatory employment practice for these groups to advertise employment opportunities in a way that discriminates against people because of their characteristics or disabilities, unless there is a bona fide occupational qualification or need. These characteristics and disabilities are race; color; religious creed; age; sex; gender identity or expression; marital status; national origin; ancestry; and present or past history of mental, intellectual, learning, or physical disability, including blindness.

By law, the Commission on Human Rights and Opportunities (CHRO) may investigate complaints and order people who engage in discriminatory employment practices to, among other things, (1) cease and desist such practices, (2) take steps to prohibit them, (3) pay back pay, and (4) hire or reinstate the employees. If CHRO fails to act within 180 days after a complaint is filed, the complainant may get a release and take the case to court, which can order appropriate legal and equitable relief, including injunctive relief, attorney's fees, and court costs.

EFFECTIVE DATE: October 1, 2012

BACKGROUND

Related Bills

sSB 77 (File 46) creates an unemployed armed forces member subsidized training and employment program nearly identical to the bill's.

sSB 81 (File 118) allows more small manufacturers businesses to qualify for STEP by raising the employee ceiling from 50 to 100 and allowing the DOL commissioner to waive some of the eligibility criteria for new employees hired by non manufacturing businesses.

It also opens the Small Business Express Program to more businesses and makes other programmatic and administrative changes, including:

1. raising the employee ceiling for manufacturers from 50 to 100

employees,

2. extending assistance to businesses based in other states and without operations here,
3. resetting the time period during which a business is subject to the statutory penalty for relocating out of state, and
4. increasing the maximum loan amount and terms under two of the program's components.

sSB 79 (File 29) also makes it a discriminatory employment practice to advertise employment opportunities in a way that discriminates against anyone because he or she is unemployed unless there is a bona fide occupational qualification or need.

sSB 221 (File 35) allows the DECD commissioner to give a First Five Plus preference to businesses proposing to relocate overseas jobs to Connecticut.

SB 75's (File 24) provisions authorizing a "Connecticut-Made" Marketing campaign are identical to the bill's provisions.

COMMITTEE ACTION

Commerce Committee

Joint Favorable Substitute Change of Reference
Yea 17 Nay 0 (03/15/2012)

Education Committee

Joint Favorable
Yea 30 Nay 1 (03/23/2012)